

New Study: College Degree Carries Big Earnings Premium, But Other Factors Matter Too

Michael T. Nietzel Senior Contributor 

I am a former university president who writes about higher education.

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Adults with a bachelor's degree earn an average of \$2.8 million during their careers, \$1.2 million ... [\[+\]](#) GETTY

According to a [new report](#) from the Georgetown University Center on Education and the Workforce (CEW), adults with a

bachelor's degree earn an average of \$2.8 million during their careers, \$1.2 million more than the median for workers with a high school diploma. In addition, at every additional level of education, workers tend to earn more than those with less education.

However, that's not the whole story. The report also reveals that career earnings depend on many factors in addition to level of education—including age, field of study, occupation, gender, race and ethnicity, and location.

For example, the CEW report, *The College Payoff: More Education Doesn't Always Mean More Earnings*, finds that:

- 16% of high school graduates, 23% of workers with some college education but no degree, and 28% of associate's degree holders earn more than half of workers with a bachelor's degree and,
- 36% of workers with a bachelor's degree earn more than half of workers with a master's degree.

Median Income and Education

Here are the median lifetime earnings of full-time workers by level of education:

- less than high school - \$1.2 million
- high school diploma - \$1.6 million
- some college, but no degree - \$1.9 million, equal to about \$47,500 annually
- associate's degree - \$2 million, or about \$50,000 per year

- bachelor's degree - \$2.8 million, the equivalent of \$70,000 annually
- master's degree - \$3.2 million, or \$80,000 annually
- doctoral degree - \$4 million, equal to \$100,000 per year
- professional degree - \$4.7 million, or an average of \$117,500 annually.

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But just as a substantial percentage of workers who didn't complete college earn more than those with a bachelor's degree, so too do many individuals with a BA or BS earn more than individuals with advanced degrees. In fact, one quarter of workers with a bachelor's degree earn more than half of workers with a master's or a doctoral degree.

“More education doesn't always get you more money,” CEW Director and lead report author Anthony P. Carnevale said.

“There’s a lot of variation in earnings related to field of study, occupation, and other factors.”

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Field of Study Matters A Lot

As other research has shown, how much you make is strongly associated with what you study. Here are the median earnings by those with a bachelor’s degree, depending on major field of study.

- Architecture and engineering - \$3.8 million
- Majors in computers, statistics, and mathematics - \$3.6 million
- Business majors - \$3 million
- Physical sciences - \$2.9 million
- Health - \$2.9 million
- Social sciences - \$2.8 million
- Biology and life sciences - \$2.8 million
- Communications and journalism - \$2.7 million
- Agriculture and natural resources - \$2.6 million
- Law and public policy - \$2.6 million
- Industrial arts, consumer services, and recreation - \$2.5 million
- Humanities and liberal arts — \$2.4 million
- Arts - \$2.3 million
- Psychology and social work - \$2.2 million

- Education - \$2 million.

Workers in certain high-paying fields can earn an equal or greater amount than workers at a higher education level across fields. For example, the median lifetime earnings of \$3.8 million for individuals with a bachelor's degree in architecture and engineering substantially exceeds the median of \$3.2 million for all master's degree holders. And an associate's degree holder in a computer and mathematical occupation has median lifetime earnings of \$2.8 million, equal to the median lifetime earnings for bachelor's degree holders overall.

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The Gender Gap

Earnings gaps by gender are found across education levels, and they tend to grow with each subsequent level of education. Women with a high school diploma earn a median of \$1.3 million over their lifetimes compared to \$1.8 million for men. Women with associate's degrees earn a lifetime median of \$1.8, while men earn \$2.3 million. Among holders of bachelor's degrees, women have median lifetime earnings of \$2.4 million, compared to \$3.3 million for men. At the master's degree level, women earn \$2.8 million, compared to \$3.9 million for men.

Race and Ethnicity

Among high school graduates, white workers earn a median of \$1.7 million, compared to \$1.4 million for Asian, Black, and Latino workers.

White workers with an associates' degree earn a median of \$2.1 million, compared to \$2 million for Asian workers, \$1.9 million for Latino workers, and \$1.7 million for Black workers.

At the bachelor's degree level, white and Asian workers each earn a median of \$2.9 million, compared to \$2.3 million for Black and Latino workers.

At the master's degree level, Asian workers earn \$4 million, compared to \$3.2 million for White workers, \$3 million for Latino workers, and \$2.7 million for Black workers.

Variations By State

The report also shows that location substantially affects lifetime earnings (adjusted for the cost of living) for workers at the same education levels. As one example, the District of Columbia, Connecticut, Virginia, and Maryland are the highest-earning locations for bachelor's and master's degree holders, with median lifetime earnings exceeding \$3 million for individuals with a bachelor's degree and more than \$3.5 million for those with a master's degree.

Three Implications

1. On average, completing higher levels of education remains a good strategy for improving one's economic prospects. And earning an advanced degree also conveys economic benefits of similar or greater magnitude.
2. Averages don't paint a complete picture. Depending on who you are, what you study, which kinds of work you do, and where you do it, some individuals with lower levels of education can earn more over their lifetimes than those with more education.
3. As the number of pathways between education and careers continues to increase, students of all ages need better advising about the options available for them to prepare

for careers that are both financially and personally rewarding.

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About the Study

The Georgetown University Center on Education and the Workforce (CEW) is an independent, nonprofit research and policy institute affiliated with the Georgetown University McCourt School of Public Policy.

The new report used [American Community Survey](#) data pooled from 2009 through to 2019 to estimate lifetime earnings. It restricted the sample to persons ages 25-64 working full-time, full-year for whom earnings data were available. For comparisons across states, lifetime earnings were adjusted using the regional price index published by the Bureau of Economic Analysis.

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Michael T. Nietzel

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I am president emeritus of Missouri State University. After earning my B.A. from Wheaton College (Illinois), I was awarded a Ph.D. in clinical psychology from the University of Illinois in 1973. I then joined the faculty at the University of Kentucky, where I progressed through the professorial ranks and served as director of the Clinical Psychology Program, chair of the department of psychology, dean of the graduate school, and provost. In 2005, I was appointed president of Missouri State University. Following retirement from Missouri State in 2011, I became senior policy advisor to Missouri Governor Jay Nixon. Recently, I have authored two books: *Degrees and Pedigrees: The Education of America's Top Executives* (2017) and *Coming to Grips With Higher Education* (2018), both published by Rowman & Littlefield. **Read Less**